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FISHING INDUSTRY OF DENMARK, 1972

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Faroe
Islands
DENMARK
Atlantic
Ocean

FISHING INDUSTRY OF DENMARK, 1972

Salvatore Di Palma

SUMMARY

Over the last decade the Danish catch has doubled and the value of its catch continues its upsurge. Landings of fish and shellfish reached record levels in 1972--1,416,800 metric tons in quantity and US$144 million in value. Exports also set record levels, including a 26-percent rise in value to US$271 million. The United States took products worth US$34.8 million, double the 1971 value, mostly in frozen cod fillets and blocks. The Faroese catch was down slightly to 200,000 tons, but the value of exports was up 14 percent. Greenland landings were 42,500 tons, 11 percent higher than 1971. The marked expansion of the Danish fisheries is to a large extent due to development of its industrial fisheries and the production of cod.

Entry into the European Economic Community (EC) is bringing changes to the Danish fisheries. Regulations are being revised to comply with the EC fisheries policy. On April 1, 1973, EC duty levels were reduced 20 percent for Danish products in a market which took nearly half the Danish exports of fish and shellfish in 1972. Danish duties will change, mostly rise, by 40 percent of the difference between the EC level beginning in January 1974; U.S. exports will be negatively affected.

Development of a position on fishing limits for the UN Law of the Sea Conference is complicated by differences between Denmark proper and its outlying areas. The Greenlanders and Faroese favor a 50-mile fishing limit whereas Denmark is satisfied with 12 miles.

Two major conservation measures were adhered to during 1972--one phasing out fishing for salmon on the high seas in the Northwest Atlantic while guaranteeing Greenland fishermen a quota for salmon taken in Greenland waters, and the other restricting North Sea herring fishing during February 1 to June 15, 1973.

NOTE: The range of the U.S. dollar to the Danish kroner was US$1.00 equals 7.51 to 7.06 DKr in 1971 and U.S. $1.00 equals 7.06 to 6.84 Dkr in 1972.

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LANDINGS - NEW HIGHS FOR COD AND TOTAL CATCH

Record levels were reached in 1972 in the quantity and value of fish and shellfish landed by Danish fishermen--1,416,800 metric tons valued at US$144 million (table 1). Cod landings increased 15 percent to 153,200 tons and were valued at US$3.95 million at point of landing a 31-percent rise. High prices and a surprising increase in the Baltic fishery contributed to the new cod record. The haddock fishery also had a good year. Plaice landings were up 17 percent in value on only a 5-percent increase in quantity. Landings of shrimp (Pandalus borealis) were down. Industrial fish maintained the 1971 level; nearly 80 percent of the Danish catch is used for reduction into fish meal and oil. Much of the increased cod landings were marketed in the United States in the form of frozen fillets and blocks. Processors competed with one another for supplies of raw fish, driving local first-hand cod prices up and reportedly keeping profit margins low for some processors. A similar development in the plaice fishery forced one major processor/exporter to temporarily stop production of frozen plaice items.

Based on a prediction on only 2 months of data, the outlook for 1973 is probably for landings to be near those of the previous year with the value setting new records even if the quantity does not. The average cod prices (landed whole fish weight), was 14.5 US¢ per pound in February 1973 compared with 10.4 US¢ in February 1972.

Table 1.--Denmark landings of fish and shellfish, 1971 and 1972

Species	1971		1972 1/	
	Metric tons	US$million	Metric tons	US$million
By Danish vessels				
Cod	133.4	29.2	153.2	39.5
Plaice	43.7	15.3	46.0	18.4
Haddock 2/	9.7	2.5	14.0	4.8
Herring (for food)	31.1	5.1	32.2	5.1
Salmon	1.7	5.2	1.5	5.2
Fish for reduction	1,087.7	42.2	1,092.4	41.9
Shrimp (P. borealis)	4.4	3.0	3.1	2.4
Lobster, deepwater	1.2	1.9	2.1	3.8
Other	68.0	19.0	72.3	23.0
Total	1,380.9	123.4	1,416.8	144.1
By foreign vessels (mainly herring)	179.5	24.4	161.3	23.5
Pond trout production	11.9	16.5	13.9 2/	19.7
Grand Total	1,572.3	164.3	1,592.0	187.3

1/ Preliminary data.
2/ Estimated figures.
3/ Includes Danish landings in foreign ports.

Source: Ministry of Fisheries

FOREIGN TRADE

Exports set new records

The Danish fishing industry makes a valuable contribution to the nation's international trade. In 1972, exports of fish and shellfish set new records, reaching 548,633 metric tons worth US$271.3, up 8 percent and 26 percent, respectively, compared with 1971. Frozen cod fillets and blocks accounted for the largest increase, but sizeable gains were also posted by many other items (table 2). The original six EC countries took one-third of the 1972 exports by value; Sweden, the United States, the United Kingdom, and Switzerland followed in that order (table 3).

Table 2.--Denmark fishery exports, 1971 and 1972

Commodity	1971		1972	
	Metric tons	US$million	Metric tons	US$million
Fresh or frozen:				
Cod, except fillets 1/	16,620	9.1	16,577	10.9
Cod fillets & blocks 1/	40,811	34.1	47,695	46.9
Eels	3,555	8.6	3,943	10.6
Flatfish fillets	10,815	13.5	10,881	15.0
Herring, whole	36,777	9.3	32,651	9.0
Herring fillets 2/	45,938	16.9	42,994	16.5
Pond trout	11,169	14.8	13,116	17.7
Salmon	1,716	5.4	2,043	6.7
Salmon, smoked	576	3.3	694	4.3
Canned sardines	4,884	3.6	5,376	4.3
Prepared shrimp 3/	1,027	3.7	1,513	5.4
Fish meal	172,164	37.8	176,820	42.7
Fish oil	17,777	3.8	39,199	6.2
Other products	144,635	44.7	155,131	75.1
Total	508,464	208.6	548,633	271.3

1/ Includes codlike species.
2/ Backbone removed.
3/ Primarily boiled, peeled P. borealis.

Source: Danish Statistics Office.

Table 3.--Denmark exports of fishery products, by main markets, 1972

Market Area	Metric tons	% of total	US$million	% of total
EC (6)	182,682	33	97.5	36
Ireland	368	0	.1	0
United Kingdom	70,581	13	28.6	11
EC (new)	253,631	46	126.2	47
Sweden	89,192	16	41.4	15
United States	33,933	6	34.8	13
Switzerland	32,449	6	21.3	8
Other	139,428	26	47.6	17
Total	548,633	100	271.3	100

Source: Danish Statistics Office.

Imports

Denmark imported 202,324 tons of fish products worth US$56.7 million in 1972. Nearly one-half the volume and one-third the value was accounted for by direct landings of herring for processing. In an agreement reached during 1972, Sweden retained privileges for landing herring in Denmark. Fish offal and frozen shrimp were other major imports. Most Danish import duties on fish and shellfish will rise substantially to meet EC levels, beginning with a 40 percent adjustment in the difference between the two duty levels in January 1974.

Trade with the United States

Danish exports to the United States were worth US$34.8 million in 1972, double the value of the previous year, on a 72-percent increase in quantity. Cod fillets and blocks accounted by far for the largest share of the exports (table 4). Danish imports of American shrimp and salmon also continued to increase. Beginning January 1974, imports into Denmark will be faced with higher duty levels as the Danish duties move substantially upward towards the EC duty levels.

Table 4.--Denmark trade in fishery products with the United States 1971 and 1972

Commodity	1971		1972	
1/	Metric tons	US$million	Metric tons	US$million
Exports to U.S.A.				
Frozen:				
Cod fillets & blocks	15,487	13.2	28,342	28.7
Flatfish fillets	369	.4	1,431	1.8
Canned sardines	2,477	1.9	2,770	2.3
Canned mussels	393	.2	318	.2
Other products	992	1.1	1,072	1.7
Total exports	19,718	16.8	33,933	34.7
Imports from the U.S.A.				
Eels, live	21	-	21	.1
Salmon, frozen	85	.1	204	.4
Shrimp:				
Canned	129	.2	66	.1
Frozen or chilled	67	.1	4	-
Prepared 2/	444	1.3	583	1.8
Other products	132	.3	197	.1
Total imports	878	2.0	1,075	2.5

1/ Includes some shipments from Greenland. Exports to Puerto Rico and U.S. possessions not included.
2/ Frozen boiled and peeled shrimp.

Source: Danish Statistics Office.

EFFECTS OF EUROPEAN ECONOMIC COMMUNITY (EC)

Denmark's entry into the European Economic Community on January 1, 1973, is bringing many changes to the fishing industry.

The original six EC countries plus the United Kingdom and Ireland accounted for nearly half the Danish exports of fish and shellfish in 1972, taking 46 percent by quantity and 47 percent by value. Thus, beginning with a 20-percent EC duty reduction on April 1, half the former Danish export market will be on its way to becoming an internal market for Danish products. Danish exporters will gain full advantage in marketing inside the Community by 1975. Buyers of Danish fish will probably find increasing competition from Community buyers as the EC duty levels phase out.

The Danish industry has already begun to participate in the EC fishery policy. Establishment of a producer organization (PO) is one of the main concerns of Danish fishermen; a draft constitution is being considered. The Danes favor a single PO; in comparison, West German fishermen have six. Although PO's are voluntary, membership in a PO is necessary to participate in the EC price stabilization program. Though the PO system is developing and rules are vague, the organizations will have a vital role in the first-hand sale of fish including operation of a minimum price system for certain species, withdrawal of fish from the market when minimum prices are not met, and handling of financial compensation from the member states.

A number of Danish laws and regulations were repealed and EC-oriented measures adopted in order to participate in the EC price stabilization system. Minimum prices on landings of a number of species important to Danish fishermen will be set under the EC price support mechanism.

Fish imports may be stopped or quotas set if the adjusted prices for such imports (entry price) fall below the so-called reference price. Where trade agreement concessions are involved, e.g., tuna and herring, an equalization fee may be imposed. Direct subsidies and payments are other measures potentially available to Danish fishermen. As part of the overall operations under the price stabilization system, Danish fish must conform to the EC quality control standards.

EC entry is also bringing other changes. The four Danish associations concerned with processing and export have formed a joint export council and have selected a member to represent their interests in Brussels. Amalgamation of the four into one organization is also being sought. Two feuding Danish fishermen associations have been reconciling their differences, and a merger is expected.

FISHING LIMITS

In general, Danish territorial waters are 3 miles and fishing limits extend another 9 miles, with the exception of the Baltic and Belt coasts which have only a 3-mile territorial zone. Fishermen from other member states of the EC may fish inside 12 miles along certain areas of Jutland; Norwegian and Swedish fishermen also have access to areas off the coast. Greenland was exempted from complying with EC regulations for 10 years, and the Faroe Islands have yet to decide whether they will enter EC.

Determination of an official Danish position for the UN Law of the Sea conference is complicated by the government's need to reconcile the divergent demands of the three separate Danish jurisdictions within the complex Danish political structure. Fish landings in 1972 for fishermen in the three areas were as follows: Denmark - 1,417,000 tons; Faroe Islands - 200,000 tons; and Greenland - 53,000 tons.

Danish fishermen vehemently rally against wide limits and have even asked their government to voice disapproval of the Icelandic limits action. They fear that wider limits mean increased fishing pressure in the North Sea. They were bitter towards the Ministry of Fisheries over Danish acceptance of the salmon proposal by the International Commission for the Northwest Atlantic Fisheries (ICNAF). In addition, many fishermen are severely criticizing acceptance of the herring conservation measures proposed by the North-East Atlantic Fisheries Commission (NEAFC).

Greenland fishermen, through the Association of Hunters and Fishermen and through the Greenland Council, have been asking for a 50-mile limit. The Greenland economy is closely tied to fishing nearby stocks; future plans for growth are placed on expansion of fishing. Greenlanders are concerned that the more experienced and better equipped fishermen from other nations present a serious danger to stocks of fish and shellfish off Greenland.

Faroese fishermen are also demanding a 50-mile limit but not with the same solid backing as the Greenlanders. Interestingly enough, much of the Faroese catch is taken from waters off the coast of other countries (table 5). In 1972, the major part of the herring and reduction fish catch came from the vicinity of the Shetland Islands. The Faroese have agreements on fishing off Iceland and Greenland and are susceptible to the idea being voiced for a special Nordic North Atlantic fishing arrangement among Greenland, Norway, Iceland, the Faroe Islands, and, they hope, the Shetlands and the Hebrides. Informal talks among Faroese, Danish, and British officials, scheduled to be held in Edinburgh, April 25-26, 1973, reportedly involve exploratory bilateral discussions on reduction of fishing effort outside 12 miles off the Faroe Islands. This problem would then be taken up in the next meeting of the NEAFC.

Development of a Danish position on limits may be further complicated by discussions within the EC on the limits question.

GREENLAND SALMON PHASEOUT

Denmark's acceptance of a resolution passed at the May 1972 meeting of the International Commission for the Northwest Atlantic Fisheries provided for the phaseout and ban on Danish high-seas fishing for salmon in the ICNAF area including waters off West Greenland. Acceptance was bitterly fought by Danish fishermen and their political supporters; a final effort in the Danish parliament in December 1972 to defeat enabling legislation failed and Danish acceptance of the ICNAF proposal was assured. The phaseout and ban proposal was worked out in bilateral negotiations between Danish and American officials in Washington in February 1972. Danish vessels owners from Bornholm who participated in the fishery were voted US$1,344,000 compensation.

The Danish government is seeking authority from asking parliament for authority to facilitate its task of keeping salmon catches inside the agreed quotas.

HERRING CONSERVATION MEASURES

A ban on fishing for North Sea herring from February 1 to June 15, 1973 was proposed by the North-East Atlantic Fisheries Commission and accepted by member states. As a result, Danish fishermen were forbidden to take herring for reduction purposes and only a special quota for human consumption: 6,380 tons in February and March and 2,500 tons for the rest of the closed season. The fishermen complained about the measures, especially about the 10 percent limitation on the quantity of herring which may be on board vessels during the period. Herring are so plentiful, they said, that it is practically impossible to stay within the limit. They also felt that their fishing for other reduction species was being inhibited.

Danish fishermen landed around 230,000 tons of herring from the North Sea and Skagerrak during 1972, of which 32,187 tons went for human consumption and the rest for reduction.

FAROE ISLANDS

The Faroese catch was about 200,000 metric tons in 1972, slightly down from the previous year (table 5). Landings of herring and reduction fish were up slightly to 119,000 tons; a little over half, 66,100 tons, was landed in the Faroes and the rest in Denmark. Vessels equipped with power blocks made most of the catch of pelagic species. Much of the landings went to meal and oil plants, but important quantities were cured on board and on shore or landed fresh for eventual sale to processors of herring products. Landings of fresh fish for processing reached 36,300 tons. The largest part of the local catch was processed into frozen groundfish fillets; however, fillet production in 1972 dropped to 7,000 tons from 11,039 tons the previous year because an important part of the landings was shifted to salted fish production.

Processing is carried out on some segments of the fleet. Salted fish (cod and codlike species) production on board vessels was 19,079 tons in 1972. About half the salted fish was processed off Greenland and Newfoundland, and the rest off Iceland and the Faroes. Frozen fillet production on the large factory trawlers was 3,400 tons.

Table 5.--Faroe Islands catch by species and by area

	1960	1971	1972
By species	-----Metric tons, whole fish weight-----		
Cod	84,100	61,400	2/
Haddock	9,300	11,300	2/
Herring	11,400	66,500	51,000
Reduction fish	-	47,200	68,000
Other	4,600	20,700	2/
Total	109,400	207,100	200,000
By area			
Barents Sea	3,500	6,200	
Faroe Islands	21,300	34,700	
Greenland 1/	60,500	17,500	
Iceland	14,400	15,100	
Newfoundland	9,700	17,800	
North Sea	-	115,800	
Total	109,400	207,100	

1/ Includes 9,800 tons in other areas of the North Atlantic in 1960.
2/ Not available separately.

Source: Fisheries Department, Faroe Islands.

At the end of 1972, the fishing fleet comprised 219 craft, including 8 salted-fish vessels, 4 factory or stern trawlers, 22 smaller steel vessels used for reduction fishing, 29 steel line vessels, 22 steel purse seiners with power blocks, over half of which seasonally land herring for consumption at Danish ports, and 10 freezer vessels for special fisheries, e.g., porbeagle off Newfoundland and salmon off Greenland. Accounting for most of the remainder were 91 wood set-line vessels.

Exports of fishery products rose 11 percent in quantity and 14 percent in value compared with 1971. Wet salted fish accounted for about half the increase in value; salted herring sales were also much improved. Denmark was the leading market followed by the United States, Italy, and Spain. The United States took products worth US$7,663,000, primarily frozen fish fillets and blocks.

Table 6.--Faroe Islands exports of fishery products, 1971 and 1972

Product	1971		1972	
	Metric tons	US$million	Metric tons	US$million
Fresh herring 1/	31,119	5.2	33,399	5.8
Frozen salmon	232	.6	145	.5
Frozen fillets	10,874	9.9	10,309	10.0
Salted herring	4,194	1.4	6,597	2.5
Wet salted fish	18,102	11.9	20,741	15.5
Fish meal	16,153	3.4	13,762	3.3
Fish oil	5,432	1.2	2,746	.4
Other	30,250	4.7	33,221	7.0
Total	116,356	38.3	120,920	45.0

1/ For human consumption.

Source: Fisheries Department, Faroe Islands.

Direct landings by Faroese vessels in Danish, British, and German ports account for a sizeable but unspecified percent of the Faroese export.

GREENLAND

The value of fish and shellfish landed in 1972 rose to US$7.7 million, 20 percent over the 1971 value. The quantity landed was 42,500 metric tons compared with 38,159 tons in the previous year (table 7). The cod fishery

Table 7.--Greenland landings of fish and shellfish, 1971 1/ and 1972

Species	1971		1972	
	Metric tons	US$million	Metric tons	US$million
Cod	19,964	1.6	23,500	2.5
Salmon	1,372	2.1	1,390	2.8
Shrimp	8,941	2.1	7,500	1.8
Other	7,882	.4	10,110	.6
Total	38,159	6.2	42,500	7.7

NOTE: Includes landings at the Nordafar plant.

1/ Round fish weight.
2/ Preliminary estimates.

had its best year since 1966 with landings an estimated 23,500 tons, round fish weight. However, the outlook for this important fishery is poor; scientists are pessimistic as falling water temperatures threaten to reduce survival rates for new year classes. Shrimp landings were down in 1972, partly because of a diversion to fishing for cod and salmon. Nevertheless, shrimp seems to offer the best opportunity for the future. Many good shrimp grounds are outside 12 miles, a fact which adds to local pressure for wider fishing limits. The salmon fishery was good in 1972; landings in Greenland were an estimated 1,390 tons. The phaseout of high-seas fishing for salmon under the ICNAF regulation should help protect this important segment of the fishery from overexploitation. The halibut and wolffish fisheries also did well.

Sales of Greenland fish and shellfish products were about US$21.6 million during 1972. About US$16.1 million were accounted for by the Royal Greenland Trade Department (RGTD) and the rest by private firms. Nearly all the frozen cod fillets and blocks were shipped directly to the United States.

The year 1972 ended a period of large investment in vessels and shore facilities. The last of a special series of five 750 GRT wetfish stern trawlers, to be operated by the RGTD, is expected to be fishing by September 1973. For the near future, goals will be increased training of ship and shore personnel and greater productivity from the present industry structure.